2005 White House Conference on Aging (WHCoA)
December 12, 2005
Speech: 20-25 Minutes

Thank you, Gail [Gibson Hunt] for that introduction – it's been a real pleasure working with you on effective support for caregivers' issues related to healthy aging. I'd also like to thank Nora [Andrews] for organizing this event, and the Policy Committee for their leadership and contributions to this event. And thank you Dorcas, for all of your hard work.

I particularly want to recognize my colleague, Assistant Secretary for Aging Josefina Carbonell. Josefina has been a tireless advocate on aging issues through her career, and she's also been a tireless advocate and educator on working with us to bring up-to-date care and coverage in Medicare.

It is really a privilege to be here at such a distinguished gathering – to have a chance to work with you on finding and developing the best ideas for bringing better health care and better health to older Americans. This is the right time and the right people for the conference theme of long-term living.

We're in a remarkable time of medical progress. Deaths from heart disease and stroke have fallen dramatically, survival after diagnosis with cancer is increasing, and we have seen big improvements in the treatment of diseases that impair quality of life, such as effective treatments for cataracts and improving treatments for arthritis.

And even as more Americans are living longer and better lives than ever before, we still have a ways to go. The future holds the potential for even more valuable breakthroughs and our ability to use these technologies. New sciences like

genomics and better information technology hold the promise of truly personalized medicine – health care that is truly effective in preventing the complications of diseases and even preventing illnesses in the first place. I got a chance to see some of this first hand downstairs in the exhibit.

Fulfilling this potential of long-term living means providing **health care that is personalized, prevention-oriented, and patient-centered, based on good evidence about how to get the best health at the lowest cost for *each particular* patient.**

This afternoon, I want to focus my remarks on how we are now working to fulfill that promise of better health and better living. We're doing it by putting new emphasis in Medicare and Medicaid on prevention and on care that people can use and control to stay healthy, prevent complications, and live well.

Some of you may have heard me talk before about bringing long-term care up to date; you will hear more about this later at the conference. I feel very passionate about this, because it's a critical part of healthy long-term living. It used to be that long-term care meant institutional care, and that's why when Medicaid was created forty years ago it included a benefit for nursing home care. Since then, we've seen many improvements in institutional care, and it's still the preferred option for many people. **But we are now in an era when it is possible and often desirable for millions of seniors with long-term care needs to age in place.**

We are now in an era when we have seen over and over again through home- and community-based waiver programs in Medicaid that it is possible to have better health

outcomes and lower costs of care per person and better satisfaction of beneficiaries and their family members**.** And that means **it is time to change the Medicaid law so that Medicaid gives people more control over how they get their long-term care coverage. It is time to enact legislation to end the institutional bias in Medicaid. And it is time to build on the successes of everyone involved in this conference to help older Americans and their family members and caregivers to have more knowledge and more ability to control their future.**

That's why those of us at Medicare and Medicaid are working closely with Josefina Carbonell and other leaders to reauthorize and enhance the Older Americans Act. It's also why we are working to reform long-term care coverage in Medicaid. And it's why we are working so hard with so many of you to implement Medicare's new benefits.

Until the Medicare Modernization Act was enacted two years ago, well over 90 percent of Medicare spending went to paying for the complications of diseases after they happened. That's because Medicare paid for the doctor bills, the hospital bills, and the rehabilitation when something went wrong. And that's understandable – that was the way health care worked 40 years ago when Medicare began, and Medicare has literally been a lifeline to help seniors and people with a disability pay the bills when they get sick.

But in an era when medical care is increasingly prevention-oriented and personalized, we can't afford simply to pay the bills when people get sick. **The best way to make Medicare sustainable and to keep it up to date for the future is also the best way to support healthy, long-term living: by helping seniors take steps to stay well and to prevent complications of diseases.** We're continuing to

keep our promise to seniors to help pay the bills when complications happen. But it simply makes better health sense and better financial sense to help people get coverage that they control, so they can use it to stay healthier and keep their costs down. **These new Medicare benefits are the biggest changes in the program's history, and they are the most important changes for healthy long-term living.** They are giving people more control over their health through greater emphasis on prevention, and that includes coverage of prescription drugs.

As a result of the Medicare Modernization Act, we've added preventive benefits to Medicare that enable us to match up well with the recommendations of the US preventive services task force, and we are working to help our beneficiaries close the big gap that still exists in using these benefits. We've started new programs to support people with frailty and with serious chronic diseases, giving them access to disease education and disease management services, and opportunities to save a lot of money through better benefits in our Medicare Health Support program and our Medicare Advantage program. **And right now, we are starting the most important new benefit in Medicare in 40 years – Medicare's new, voluntary prescription drug coverage.**

Today we are almost a month into the enrollment period for the new drug benefit. The level of interest in the new benefit is incredibly high. **People are asking lots of questions about what it means for them.** I am sure this is no surprise to many of you who counsel and assist seniors. I've talked to many of you who are experiencing a high level of interest every day, in the form of increased call volumes and demands on your trained staff.

I'd like to tell you about some of the things that we are seeing with the new drug benefit, and some of the things we are doing to help you meet this strong interest.

First, this coverage is costing less and is providing better benefits than most experts expected. For one thing, the vast majority of employers and unions are continuing their coverage for retirees and taking new subsidies from Medicare to help keep it in place. According to a major survey released last week, over 90 percent of retirees with coverage now are going to continue to get it – and in many cases with better benefits. Keep in mind that retirees have to pay all or most of the cost in some retiree plans, so that coverage isn't as good as the new Medicare coverage, it doesn't qualify for the subsidy, and the retiree is likely much better off financially as a result of using Medicare's new subsidized coverage instead.

So one important question many people with Medicare are asking is: **If I have good coverage now, can I keep it?** We are clearly seeing that the answer is **yes, Medicare is working to support the good coverage many seniors have now.** And if you like your coverage, that's all you really need to know about the new Medicare benefit.

But people who don't have good coverage and are struggling today with their drug costs – they are asking a lot of questions about what Medicare plan is a good fit for them. And it's because people have choices of plans, that we are seeing lower costs and better coverage. **On average, the drug plan premiums are about 15 percent lower than independent experts had predicted, and the costs to the government will be 15 percent lower on average, as well**. The plans are competing to get discounts from drug manufacturers and to take other steps to keep costs down

and provide quality benefits – because they know that if they don't, people aren't going to choose their plan and stick with their plan.

By asking questions, people can get coverage that better fits their needs than if they didn't have any control over the benefits they receive. For example, **many people are asking about deductibles and the so-called donut hole**, because they want more comprehensive coverage that the basic benefit passed by Congress. And **if you want coverage without a deductible or without a so-called donut hole, you can get it.**

It's been a real pleasure to meet and to hear about people all over the country who are saving money**. For a typical person with Medicare, the new drug coverage will cut their prescriptions drug expenses in half.** This can make a real difference in staying healthy and staying financially secure. At an enrollment event last month in Minneapolis, 77 year old Tom Clark announced that he and his wife, Mary, had found two drug plans that would cut their costs from about $5,550 to $1,450 next year. Mr. Clark said that now they could celebrate their 50th anniversary next year.

I hear stories like this every day – people who are finally getting financial relief they really need. In South Carolina last week, I talked to a counselor who had helped someone enroll in a plan that was expected to lower her costs from about $3000 a month to a little over $3000 a year.

But others are asking why they should sign up when they aren't taking any or many drugs. For these people, **a plan with a low premium that provides Medicare's basic coverage might be cheaper and better.** And they can get protection against high drug costs and peace of mind from a

drug plan that meets all of Medicare's standards for just a few dollars a month in many parts of the country, and for under $20 a month just about everywhere.

And many people are asking if their drugs are covered. Now, every plan approved by Medicare must provide access to all medically necessary treatments. Because of Medicare's requirements, the plans are providing the same kind of access to medically necessary drugs that has worked for millions of Federal government retirees, for many retirees in employer and union plans, and for people in high-quality Medicaid drug plans. **Every plan is required to cover essentially every drug for conditions like mental illness and cancer and immune-related conditions, where the specific drug or combination of drugs really matters.**

But in areas like medicines for stomach acid problems and for hayfever, where a number of drugs work in very similar ways, every plan may not cover every single medicine, because that's how the plans negotiate the lowest possible prices. They get volume discounts, just like the Federal employees plan or the VA plan or many Medicaid plans.

But unlike the VA or Medicaid, **seniors can ask before they sign up for this plan whether all of the drugs they are taking right now are covered** – and as you know, we have tools that people can use to find the lowest cost for the drugs that people are taking right now. This kind of personalized support in choosing coverage has never been available before, not in Medicare or anywhere else. So seniors are getting volume discounts that are leading to lower costs of coverage, but they also have the opportunity to get bigger savings on the drugs they are taking right now than if they did not have a choice of plans.

I know that many of you are getting a lot of questions like these. **I salute you who are on the front lines of counseling and educating Medicare beneficiaries. I thank you for your creativity and ingenuity in managing this challenge.** We will continue to work together with you and the new partners we have developed over the past year to meet this challenge.

When we started preparing for the biggest ever new benefit in Medicare, we knew three things would be critical to success in helping people get their questions answered. **First, we knew this outreach effort would have to be historic in scope – the largest public education and outreach effort since the major education campaign that went along with the creation of Medicare forty years ago. Second, we knew that grassroots networks and partners would be critical to success. And third, we wanted to provide all our partners, beneficiaries and those who care for and about them with high tech and high touch personalized tools that they could really use.**

These three critical success factors drove the development of our education and outreach strategy – a national strategy, locally executed. As you know, CMS has ten regional offices which run a campaign in each state, which in turn is organized down to the county level.

We have more than 14,000 trained partners across the country taking on a variety of roles in this effort. **We think of this network as a pyramid of partners.** The **foundation of this pyramid is thousands of community based, public and private organizations that work with seniors and people with a disability.** AARP, NCOA, and the Access to Benefits Coalition, many disease advocacy organizations, and many organizations that help our racially

and ethnically diverse beneficiary population. Thousands of these partners have been responsible for educating beneficiaries about the new benefit – they and you deserve credit for a huge increase in awareness of the new coverage.

We have also developed many diverse nontraditional partners, who in addition to educating and building awareness are now providing valuable personalized counseling and assistance. For example, a few weeks ago, the students at the Massachusetts College of Pharmacy conducted an enrollment event for hundreds of people with Medicare in Worcester. We're using this as a model for future enrollments events involving pharmacy students throughout New England. Other nontraditional partners who are holding thousands of local education and enrollment events include faith based organizations and financial planners.

We've worked to put together networks of these nontraditional partners. If you didn't notice it already when you go out the main hotel entrance, take a look to the left – you'll see the Medicare mobile office. Some people might call it a bus, but I like "mobile office." It's helping us reach people across America – where they live, work, play and pray. The Medicare buses have crisscrossed America – Secretary Leavitt and I with our local partners have had **mobile office events in more than 150 cities, forming more than 140 local partner networks** for beneficiary education and support as well as statewide networks that reach rural areas. **We have visited 45 states at least once and we're still going.** With many of our new nontraditional partners and especially long standing allies, the SHIPS and Area Agencies on Aging, we are now conducting hundreds of enrollment events all over the country.

In all these efforts, the volunteers, the expertise, and the passion of these long standing partners are invaluable. I am truly grateful. I would like to ask anyone here who is associated with a local Area Agency on Aging, a SHIP, or a volunteer for these critical partners to stand up now. I thank you and please join me in applauding their efforts. **You are a more essential part of the Medicare program than ever, and as we keep working to make our program more personalized, I think it's going to stay that way.**

Recognizing that the scope of this effort would be huge, we have increased funding for our SHIP partners by more than two and a half times since 2003. While funding is critical, however, **we're also listening to you and identifying best practices to meet the transformed role of our partners.** This includes effective ways to collaborate and distribute workloads with our new partners and new volunteers. **This is why CMS and AoA have partnered with Volunteermatch.org to launch the Medicare Rx Volunteer Initiative.**

This program places volunteers with SHIPs and registered community based organizations. In just a few weeks, more than 700 volunteers have been placed with participating local organizations. **If your organization could benefit from having more volunteers, please register as soon as possible at www.volunteermatch.org.** All CMS Medicare RX Volunteers will receive our Drug Benefit Training kit. In addition, the SHIP Resource Center will be hosting onsite training sessions in select communities nationwide.

We are also sharing other best practices identified by our partners, to further assist them in managing this increased demand. For example, the SHIP in West Virginia developed a collaborative call center among the SHIP, AARP, and the

Access to Benefits Coalition. It uses the state-wide SHIP toll-free number and is staffed by specially hired and trained staff. In North Carolina, the SHIP manages about 1000 volunteer counselors across the state at this point. **Please share your best practices with us, and we will spread the word.**

In addition to education and enrollment help, we are also working with all of our partners across the country including other federal agencies, state and local governments, nursing homes and other health professionals to insure there is **no lapse in prescription drug coverage for the full dually eligible beneficiaries.**

People with Medicare and Medicaid have already been enrolled in a Medicare prescription drug plan. CMS has taken many steps to insure that there will be no lapse in drug coverage. For example, we have worked closely with states over the past year to obtain very high match rates between their enrollment information and Part D enrollment – match rates well over 99 percent. And if a dually eligible beneficiary goes to their local pharmacy without knowing anything about their plan, the pharmacist can use a new electronic system that is working now to quickly identify their assigned plan and help them get their drugs. **CMS has also developed a process for a point-of-sale solution, if the beneficiary somehow has not been automatically enrolled in Part D.** If they have evidence of Medicare and Medicaid eligibility, they can leave the pharmacy with their prescriptions.

As many of you know, there is not only comprehensive coverage available to all Medicaid beneficiaries, but also **comprehensive coverage for millions more people with limited income and resources who have really been struggling until now.** People who are eligible for the

subsidy can sign up through the Social Security Administration. We are working closely with SSA and our partners to reach beneficiaries who may qualify for this extra help, and thousands more are enrolling every day. Please join us and the Social Security Administration in particular, to continue to expand the use of this valuable subsidy.

Let's finish where we began – this is a big task. My sense is that people with Medicare will want a number of encounters with information on the new benefit before they feel comfortable enough to make a confident decision. **That is why we have provided so many different ways for people to get assistance – our 1-800-MEDICARE customer service line, available 24/7, our medicare.gov website, and thousands of partners and thousands of local events across the country.** All offer both education and personalized assistance.

As one part of this effort, **we have targeted our messages to the friends and families of people with Medicare.** We're advocating a national conversation about this new benefit. This conversation will take place in thousands of different locations and between many different combinations – mothers and daughters, between neighbors, sisters, and brothers. Just about everyone knows someone with Medicare, so just about everyone can take part. We hope many conversations take place during this holiday season – in living rooms and kitchen tables across the country.

Please help spread the conversation. We developed the "Friends and Family Took Kit," which is on Medicare.gov, to give you some simple steps to help guide this conversation.

The national conversation is off to a big start. Our website and our toll-free hotline activity are proof of that. **Over the**

Thanksgiving holiday, more than 3.5 million pages were viewed on Medicare.gov. That's four times more than last Thanksgiving, and we've seen web traffic continue to increase since then. **Also, since enrollment began on November 15, more than a million people a week have called 1-800-MEDICARE.**

You are the leaders in your community – and this national conversation works best locally, back home in your communities. **We will work with you as true partners, and provide as much support as we can.** And together, we will transform 21st century health care – improving health by helping Medicare beneficiaries get better coverage, better benefits, and peace of mind – today and for many years to come – for the millions of older Americans who are looking to us to help them get better health with long-term living.

Thank you very much.

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